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§19–509.

(a) Except as provided in subsection (b) of this section, each bond issued in accordance with this subtitle is a pledge of the full faith and credit of the county to the prompt payment, from the revenues described in the public local law authorizing the bond, of the principal of and interest on the bond when due.

(b) A revenue bond issued in accordance with this subtitle is not a debt of the county to which its faith and credit or taxing power is pledged.

(c) (1) If at the time bonds are issued there is no statutory limit on the power of the county to impose property taxes, the pledge under subsection (a) of this section is a covenant by the county to impose ad valorem taxes:

(i) on all real and tangible personal property in the county that is subject to assessment for unlimited county taxation; and

(ii) at a rate and in an amount sufficient to pay the principal of and the interest on the bonds in each year in which any of the bonds are outstanding.

(2) If at the time bonds are issued there is a statutory limit on the power of the county to impose property taxes, the pledge under subsection (a) of this section is a covenant by the county to impose the ad valorem taxes described in paragraph (1) of this subsection within the limits imposed by law.

(d) A statute that establishes a maximum limit on the rate at which a county may impose property taxes, or that removes an existing limit, enacted after bonds are issued by the county does not affect the covenants of the county under subsection (c) of this section with respect to bonds outstanding on the effective date of the statute.

(e) (1) A county may not issue a bond under this subtitle if, by its issuance, a statutory maximum limit imposed by statute on the power of the county to incur debt will be exceeded.

(2) A statutory maximum limit imposed after a bond is issued does not affect the county's obligation on the bond.

(3) The obligation of a county on an outstanding bond is not affected by the issuance of a bond in accordance with an increase in the statutory maximum limit on the power of the county to incur debt, or the removal of an existing maximum limit, enacted after the outstanding bond is issued.

(f) (1) In addition to the pledge of its full faith and credit and taxing power to pay the principal of and interest on bonds, a county may secure the payment by the pledge of any other revenues, including:

(i) payments to the county from the State or federal government; and

(ii) special benefit assessments, taxes, fees, or service charges.

(2) To the extent that the additional revenues are sufficient in any year to pay the principal of and interest on the bonds to which they are pledged, the county is not obligated in that year to impose property taxes also pledged to pay the bonds.

(3) If the additional revenues are sufficient in any year to pay the principal of and interest on the bonds to which they are pledged, the failure of the county to impose property taxes pledged to pay the bonds in that year is not a breach of any payment of the principal of and interest on the bonds.

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